



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Jack Wu

Long Beach, California 90802

APR 30 2019

RE: MUR 7225
Jack Wu

Dear Mr. Wu:

On April 26, 2019, the Federal Election Commission accepted the signed conciliation agreement you submitted in settlement of violations of 52 U.S.C. §§ 30102(b)(3) and (c), 30104(b), and 30104(b)(1), and 11 C.F.R. §§ 102.9, 102.15, and 104.3, provisions of the Federal Election Campaign Act of 1971, as amended, and regulations. Accordingly, the file has been closed in this matter. Please be advised that the lack of a civil penalty in this agreement reflects unusual factors brought forth during the investigation.

Documents related to the case will be placed on the public record within 30 days. *See* Disclosure of Certain Documents in Enforcement and Other Matters, 81 Fed. Reg. 50,702 (Aug. 2, 2016). Information derived in connection with any conciliation attempt will not become public without the written consent of you and the Commission. *See* 52 U.S.C. § 30109(a)(4)(B).

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact me at (202) 694-1548.

Sincerely,

A handwritten signature in cursive script that reads "Elena Paoli".

Elena Paoli
Attorney

Enclosure
Conciliation Agreement

OFFICE OF
GENERAL COUNSEL

BEFORE THE FEDERAL ELECTION COMMISSION

2019 APR 15 PM 2:51

In the Matter of

Jack Wu

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MUR 7225

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (the "Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that Jack Wu ("Respondent") knowingly and willfully violated 52 U.S.C. §§ 30102(b)(3) and (c), 30104(b), 30114(b)(1) and 11 C.F.R. §§ 102.9, 102.15, and 104.3.

NOW, THEREFORE, the Commission and Respondent, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

- I. The Commission has jurisdiction over Respondent and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 52 U.S.C. § 30109(a)(4)(A)(i).
- II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. Respondent enters voluntarily into this agreement with the Commission.
- IV. The pertinent facts in this matter are as follows:
 1. Rohrabacher for Congress (the "Committee") is a political committee within the meaning of 52 U.S.C. § 30101(4).
 2. Wu was the treasurer of the Committee from 2005 to 2015.

3. The Federal Election Campaign Act of 1971, as amended (the "Act") prohibits any person from converting contributions to a federal candidate to personal use. 52 U.S.C. § 30114(b)(1). "Personal use" means any use of funds in a campaign account of a present or former candidate to fulfill a commitment, obligation or expense of any person that would exist irrespective of the candidate's campaign or duties as a Federal officeholder. 52 U.S.C. § 30114(b)(2); 11 C.F.R. § 113.1(g).

4. The Act and Commission regulations require that all funds of a political committee be "segregated from, and may not be commingled with, the personal funds of any individual." 52 U.S.C. § 30102(b)(3); 11 C.F.R. § 102.15.

5. The Act and Commission regulations require treasurers to accurately keep a record of and report receipts and disbursements. 52 U.S.C. §§ 30102(c), 30104(b); 11 C.F.R. §§ 102.9(b), 104.3(a)-(b), 104.14(d). Committee treasurers and any other person required to file any report or statement under the Act and the Commission's regulations are also personally responsible for the timely and complete filing of the report or statement and for the accuracy of any information or statement contained in it. 11 C.F.R. § 104.14(d).

6. A knowing and willful violation of the Act requires full knowledge of all of the relevant facts and a recognition that the action is prohibited by law.

7. From 2009 to 2015, in his capacity as treasurer of the Committee, Wu made \$238,347.15 in unauthorized disbursements from the Committee's bank account to his personal bank account and bank accounts belonging to his businesses, the Jane Company and WuBell Services, thereby commingling the Committee's funds with personal funds. Wu also deposited \$35,995.79 into the Committee's bank account using checks drawn from his personal bank account and the Jane Company's bank account. Wu made these repayments when the

Committee's account balance was so low that the Committee would not have been able to pay its vendors.

8. Wu used at least \$69,450 of the stolen and misappropriated funds from the Committee to pay a debt to Russell Fischer, Inc, his former employer, from which he had embezzled.

9. Wu did not keep records of his unauthorized disbursements and deposits, and he failed to disclose these unauthorized transfers in the Committee's reports he filed with the Commission, which resulted in the Committee filing inaccurate reports with the Commission.

10. In connection with his unauthorized transfers from the Committee and his embezzlement from Russell Fischer, Inc., Wu pleaded guilty to 3 counts of felony grand theft by embezzlement and 21 counts of felony forgery, crimes under Sections 470(d) and 487(a) of the California Penal Code. On April 25, 2017, the State of California sentenced Wu to 5 years' probation and ordered him to pay \$202,351.36 in restitution to the Committee.

11. The fact that Wu sought to conceal his activities by filing inaccurate reports with the Commission, keeping incomplete Committee records, and making deposits to the Committee's account to conceal his unauthorized transfers, evidence that Wu acted in contravention of his known legal obligations.

V. Respondent committed the following violations:

1. Respondent knowingly and willfully violated 52 U.S.C. § 30102(b)(3) and 11 C.F.R. § 102.15 by commingling the committees' funds with his personal funds.

2. Respondent knowingly and willfully violated 52 U.S.C. § 30114(b)(1) by converting campaign funds to personal use.

3. Respondent knowingly and willfully violated 52 U.S.C. § 30102(c) and 11 C.F.R. § 102.9 by failing to keep an account of disbursements made from the Committee's funds.

4. Respondent knowingly and willfully violated 52 U.S.C. § 30104(b) and 11 C.F.R. § 104.3 by failing to file accurate reports with the Commission.

VI. Respondent will take the following actions:

1. Respondent will cease and desist from violating 52 U.S.C. §§ 30102(b)(3) and (c), 30104(b), 30114(b)(1) and 11 C.F.R. §§ 102.9, 102.15, and 104.3.

2. Respondent agrees not to volunteer or engage in work for any federal political committee or any federal campaign in a capacity involving finances or disclosure reports for a period of ten (10) years from the date of this agreement.

3. Respondent Jack Wu, through the submission of financial documentation to the Commission and additional representations, has indicated that financial hardship prevents him from paying any civil penalty to the Commission. Wu is currently in the process of paying restitution in the amount of \$202,351.36 plus interest to the Committee and \$20,951.06 plus interest to Chase Russell and has limited assets. The Commission regards these submissions and representations as material representations. Due to Wu's financial condition, the Commission agrees to depart from the civil penalty that it would normally seek for the violations at issue, and the Commission agrees that no civil penalty shall be due. If evidence is uncovered indicating Respondent's financial condition is not as stated, a civil penalty of Three Hundred Sixty-Eight Thousand Dollars (\$368,000) shall be immediately due, pursuant to 52 U.S.C. § 30109(a)(5)(B).

VII. The Commission, on request of anyone filing a complaint under 52 U.S.C. § 30109(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any

requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.


IX. Respondent shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

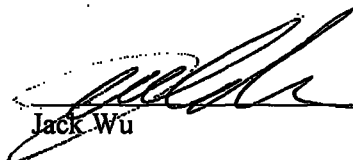
Lisa Stevenson
Acting General Counsel

BY:


Charles Kitcher
Acting Associate General Counsel
for Enforcement

4/29/19
Date

FOR THE RESPONDENT:


Jack Wu

4/9/19
Date